



## Special Executive Report

20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 tel  
312/466.4410 fax

S-4271

May 25, 2005

### **NEW Special Opening Quotation Procedures On All Nasdaq Indexes**

Beginning with the June 2005 expirations, the Special Opening Quotations (SOQ) for NASDAQ-100® and NASDAQ Composite® Indexes shall be calculated based on the NASDAQ Official Opening Price (NOOP) for the component stocks of the respective indexes.

Currently the Nasdaq Index futures are settled to Special Opening Quotations (SOQ) based upon the Volume Weighted Prices of the underlying stocks. Following NASDAQ's successful implementation of a market opening cross mechanism whereby a single unified opening price is determined for each underlying stock, the calculation method for all expiring Nasdaq Index futures shall be converted from the existing method to one that is based on the NOOP, consistent with the methodology for other Index futures traded at the Exchange.

Implementation of this new calculation method will take effect with the June 2005 expiration. Corresponding rule changes follow below for all CME Nasdaq listed Indexes with additions underlined and deletions bracketed and struck out.

*For more details on the SOQ calculation method, please visit  
<http://www.nasdaqtrader.com/asp/nasdaqindexes.asp>  
and click on the Index Opening Value Description link at the bottom of the screen.*

*For more information, please do not hesitate to call Brett Vietmeier, Director, Equity Products at 312-930-3394 or Ariel Hantin, Senior Research Analyst, Research & Product Development at 312-559-4951.*

**CHAPTER 357**  
**NASDAQ 100 Index Futures**

**35703.A. Final Settlement Price**

The Final Settlement Price shall be determined on the third Friday of the contract month or, if the Nasdaq 100 Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published.

The final settlement price shall be a Special Opening Quotation of the Nasdaq 100 Index to be determined by the Nasdaq Stock Market Inc. ("Nasdaq"). If the Nasdaq does not open on the day scheduled for the determination of the Final Settlement Price, then the Final Settlement Price shall be the Special Opening Quotation of the first subsequent day on which Nasdaq does open.

The Special Opening Quotation of the Nasdaq 100 Index shall be based on ~~[Volume Weighted Prices (VWP)]~~ the Nasdaq Official Opening Price (NOOP) of Nasdaq 100 Index stocks. ~~[The VWP of a stock shall be computed from transaction prices in the five minute period beginning with its first transaction price at or after 8:30 a.m. Chicago time, as reported by Nasdaq.]~~

~~[The VWP of a stock in the index shall be a weighted average of its transaction prices during this five minute period. The weight associated with a particular transaction price shall be the fraction of the total volume of trade during this five minute period which was executed at this transaction price.]~~

~~[If the first transaction of a stock occurs after 2:55 PM, Chicago time, then its VWP shall be computed from transaction prices reported before 3:00 p.m., Chicago time. If a stock does not trade after 8:30 a.m. and before 3:00 p.m., Chicago time, then its VWP shall be its closing price from the previous day.]~~ If a component stock in the index does not trade after 8:30 a.m. and before 3:00 p.m. on the day scheduled for determination of the Final Settlement Price while Nasdaq is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the closing price of that stock on the preceding trading day. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the NOOP ~~[opening price]~~ of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

~~[With the exception of trade reports with .O modifiers<sup>(2)</sup>, trade reports that do not have modifiers attached to them shall be used for the computation of VWPs.]~~

**CHAPTER 359**  
**E-mini NASDAQ 100 Index® Futures**

**35903.A. Final Settlement Price**

The Final Settlement Price shall be determined on the third Friday of the contract month or, if the Nasdaq 100 Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published.

The Final Settlement Price shall be a Special Opening Quotation of the Nasdaq 100 Index to be determined by the Nasdaq Stock Market Inc. ("Nasdaq"). If the Nasdaq does not open on the day scheduled for the determination of the Final Settlement Price, then the Final Settlement Price shall be the Special Opening Quotation of the first subsequent day on which Nasdaq does open.

The Special Opening Quotation of the Nasdaq 100 Index shall be based on ~~[Volume Weighted Prices (VWP)]~~ the Nasdaq Official Opening Price (NOOP) of Nasdaq 100 Index stocks. ~~[The VWP of a stock shall be computed from transaction prices in the five minute period beginning with its first transaction price at or after 8:30 a.m. Chicago time, as reported by Nasdaq.]~~

~~[The VWP of a stock in the index shall be a weighted average of its transaction prices during this five minute period. The weight associated with a particular transaction price shall be the fraction of the total volume of trade during this five minute period which was executed at this transaction price.]~~

~~[If the first transaction of a stock occurs after 2:55 p.m., Chicago time, then its VWP shall be computed from transaction prices reported before 3:00 p.m., Chicago time. If a stock does not trade after 8:30 a.m. and before 3:00 p.m., Chicago time, then its VWP shall be its closing price from the previous day.]~~ If a component stock in the index does not trade after 8:30 a.m. and before 3:00 p.m. on the day scheduled for determination of the Final Settlement Price while Nasdaq is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the closing price of that stock on the preceding trading day. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the NOOP ~~[opening price]~~ of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

~~[With the exception of trade reports with .O modifiers, trade reports that do not have modifiers attached to them shall be used for the computation of VWPs.]~~

**CHAPTER 377**  
**E-mini NASDAQ Composite Index Futures**

**37703.A. Final Settlement Price**

The Final Settlement Price shall be determined on the third Friday of the contract month or, if the NASDAQ Composite Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published.

The final settlement price shall be a Special Opening Quotation of the NASDAQ Composite Index to be determined by the NASDAQ Stock Market Inc. ("NASDAQ"). If the NASDAQ does not open on the day scheduled for the determination of the Final Settlement Price, then the Final Settlement Price shall be the Special Opening Quotation of the first subsequent day on which NASDAQ does open.

The Special Opening Quotation of the Nasdaq 100 Index shall be based on [~~Volume-Weighted Prices (VWP)~~] the Nasdaq Official Opening Price (NOOP) of Nasdaq 100 Index stocks. [~~The VWP of a stock shall be computed from transaction prices in the five minute period beginning with its first transaction price at or after 8:30 a.m. Chicago time, as reported by NASDAQ.~~]

[~~The VWP of a stock in the index shall be a weighted average of its transaction prices during this five minute period. The weight associated with a particular transaction price shall be the fraction of the total volume of trade during this five minute period which was executed at this transaction price.~~]

[~~If the first transaction of a stock occurs after 2:55 p.m., Chicago time, then its VWP shall be computed from transaction prices reported before 3:00 p.m., Chicago time. If a stock does not trade after 8:30 a.m. and before 3:00 p.m., Chicago time, then its VWP shall be its closing price from the previous day.~~] If a component stock in the index does not trade after 8:30 a.m. and before 3:00 p.m. on the day scheduled for determination of the Final Settlement Price while Nasdaq is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the closing price of that stock on the preceding trading day. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the NOOP [~~opening price~~] of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

[With the exception of trade reports with .O modifiers, trade reports that do not have modifiers attached to them shall be used for the computation of ~~VWPs~~.]